

Message Text

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ACTION PM-04

INFO OCT-01 EUR-12 ISO-00 NSC-05 SP-02 SS-15 CIAE-00

INR-07 NSAE-00 L-03 OMB-01 TRSE-00 EB-07 IGA-02 SSO-00

NSCE-00 INRE-00 COME-00 AID-05 EURE-00 (ISO) W

----- 055667

O 161356Z DEC 75

FM AMEMBASSY ATHENS

TO SECSTATE WASHDC IMMEDIATE 1769

INFO USCINCEUR IMMEDIATE

SECDEF IMMEDIATE

C O N F I D E N T I A L ATHENS 9879

EO 11652: GDS

TAGS: MASS EAIR EINV EIND BEXP GR US

SUBJECT: NATIONAL AVIATION EQUIPMENT INDUSTRY (EBAY)

REF: A. ATHENS 3631; B. ATHENS 3587; C. STATE 105920

1. SUMMARY: GOG IS REQUESTING WRITTEN DOD AUTHORIZATION TO FIRST NATIONAL CITY BANK OF NEW YORK (FNCB) PERMITTING FIRST PAYMENTS FROM \$25 MILLION FMS GUARANTEED LOAN TO US COMPANIES FOR EBAY PROJECT. GREEKS ARE EAGER TO AVOID PENALTIES WHICH WILL ACCRUE IF PAYMENTS CANNOT BE MADE BEFORE DEC 25, 1975. ORIGINAL OF LETTER IS BEING AIR POUCHED TO STATE'S EUR/SE/GR, C/ DAY.

2. ACTION REQUESTED: GOG HAS ASKED WHETHER TIGHT TIME-FRAME CAN BE MET. EMBASSY WOULD APPRECIATE GUIDANCE ON THIS POINT, AND WHETHER ANY OTHER ACTION SHOULD BE TAKEN FROM THIS END TO EXPEDITE CASE.

END SUMMARY AND ACTION.

3. EMBASSY HAS RECEIVED FROM HELLENIC ARMED FORCES OFFICIAL WRITTEN REQUEST ADDRESSED TO US DEFENSE SECURITY ASSISTANCE AGENCY FOR DOD AUTHORIZATION
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TO BEGIN DRAW DOWN OF \$25 MILLION FNCB LOAN FOR

EBAY PROJECT. THE TEXT OF THE LETTER FOLLOWS:
BEGIN QUOTE

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TO: DEFENSE SECURITY ASSISTANCE AGENCY
DEPARTMENT OF DEFENSE
WASHINGTON, DC 20301
ATTEN: MR. ROY BETTELEY,
USAA/TS, PENTAGON ROOM 4B660

INFO: US EMBASSY ATHENS GREECE
ATTN: MR. MCGUIRE (2)

FROM: HELLENIC AIR FORCE COMMAND
HAI OFFICE
TEL NO 6426797
FILE NO HAFC/400/000/163177
ATHENS 16 DEC 1975

SUBJECT: RELEASE OF 25 MILLION DOLLAR LOAN

1. WE HACE THE HONOUR TO INFORM YOU THAT THE
GOVERNMENT OF GREECE HAS ALREADY SIGNED AGREEMENTS
WITH FOUR US COMPANIES FOR THE HELLENIC AEROSPACE
INDUSTRY PROJECT (EBAY). SAID AGREEMENTS BECONE
EFFECTIVE ON THE 15 DEC 1975 SUBJECT TO PRIOR APPROVAL
OF THE US GOVERNMENT.

2. AS WE ARE INFORMED BY THE COMPANIES INVOLVED
IN THE PROJECT, COPIES OF THE EXECUTED AGREEMENTS
HAVE BEEN SUBMITTED FOR APPROVAL TO THE US GOVERN-
MENT AND THIS APPROVAL HAS ALREADY BEEN GRANTED.

3. THIS PROJECT WILL BE PARTIALLY FUNDED OUT OF
THE PROCEED OF THE EXISTING 25 MILLION DOLLAR LOAN,
WHICH IS GUARANTEED BY THE US GOVERNMENT.

4. FOR THE LOAN TO BE USED TO MAKE PAYMENTS TO THE
US COMPANIES, IT IS NECESSARY THAT THE US
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DEPARTMENT OF DEFENSE PROVIDE WRITTEN INSTRUCTIONS
TO THE FIRST NATIONAL CITY BANK (FNCB) IN NEW YORK
AUTHORIZING SAID BANK TO PROCEED WITH THE PAYMENTS IN
ACCORDANCE WITH THE INSTRUCTIONS GIVEN TO FNCB BY
THE BANK OF GREECE.

5. FIRST DISBURSEMENTS OUT OF THE BLOCKED ACCOUNT
FOR THE TOTAL OF 4,955,000 US DOLLAR WILL

BE USED FOR THE DVANCE PAYMENT OF THE GOLLOWING
COMPANIES IN CONNECTION WITH THE EBAY PROJECT:

A. TO LOCKHEED AIRCRAFT SERVICE COMPANY (CONTRACT DATED
26 NOV 1975, FOR STUDIES AND COORDINATION NECESSARY FOR THE
ORDERLY IMPLEMENTATION OF THE COMPLEX).....US \$750,000

B. TO GENERAL ELECTRIC COMPANY
(CONTRACT DATED 26 NOV 75, FOR THE PLANNING, ESTABIISHMENT
AND MANAGEMENT OF THE ENGINE OVERHAUL FACILITY).....US \$2,725,000

C. TO WESTINGHOUSE ELECTRIC CORPORATION
(CONTRACT DATED 26 NOV 75, FOR THE PROVISION OF A COMPLETE
ELECTRONICS PROGRAM COVERING EQUIPMENT AND
SERVICES, INCLUDING TRAINING).....US \$1,380,000

D. TO AUSTIN COMPANY, CLEVELAND OHIO USA
(CONTRACT DATED 26 NOV 75, FOR ARCHITECT AND ENGINEERING
SERVICES AND FOR CONSTRUCTION SUPERVISION AND SERVICES).....US\$100,0
00
.....TOTAL \$4,955,000

6. BASED ON THE ABOVE INFORMATION IT IS REQUESTED
THAT YOU TAKE THE NECESSARY ACTION AT THE DEPARTMENT
OF DEFENSE SO THAT THE LOAN BE RELEASED FOR THE
PROJECT AND INSTRUCTIONS BE PROVIDED TO FIRST
NATIONAL CITY BANK IN NEW YORK. SAID RELEASE
SHOULD BE GIVEN TO FNCB ON OR BEFORE 25 DEC 1975.

7. YOUR COOPREATION IN THIS MATTER WILL BE GREATLY
APPRECIATED.

/S/ PERICLES ECONOMOU
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PERICLES ECONOMOU
LT. GENERAL
CHIEF OF HELLENIC AIR FORCE COMMAND.
END QUOTE.
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Message Attributes

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